

# **Exhibit 44**

**SPECIAL**  
**BOARD OF TRUSTEES MEETING**  
**WYCKOFF HEIGHTS MEDICAL CENTER**  
**AND**  
**CARITAS HEALTH CARE, INC.**  
**MARCH 12, 2007**

**PRESENT:**

Emil Rucigay, Esq. - Chairman  
Dominick J. Gio - President & CEO  
John Cook, Jr. Esq. (via telephone)  
Victoria Cook, Esq. (via telephone)  
Vincent Arcuri  
Gladys Rodriguez  
Herman Hochberg  
Fred T. Haller, Esq.  
Andrew Boisselle  
Vito J. D'Alessandro, M.D. (via telephone)  
Frederick T. Haller, Esq. (via telephone)  
Harold McDonald  
Edmondo Modica, M.D.  
A.C. Rao, M.D.  
John D. Rucigay, Esq.  
Mark Lane  
Fr. Patrick Frawley  
Wah-Chung Hsu

**INVITED GUESTS:**

David N. Hoffman, Esq.  
Nirmal Mattoo, M.D.  
William F. Green  
Edward J. Dowling  
Richard Zall, Esq.

Mr. Rucigay called the meeting to order at 4 p.m.

**BQHC 03811**

**REDACTED**

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Mr. Rucigay explained that the reason this meeting was called is because of the events relating to the current fiscal situation. Upon investigation it was discovered that there were financial problems due to the co-mingling of funds by the former Chief Financial Officer who, in all probability, thought he was doing the right thing by and for the Hospital. This and a delay in dropping bills resulted in a severe cash shortfall. Wyckoff submitted an application for a loan to the State for funds and they, in turn, requested a great deal of information. Last Thursday Mr. Rucigay received a telephone call from Dr. Daines, Acting Commissioner of Health, regarding the misapplication of funds and notification to the Boards.

fact, at the December 2006 meeting of the Board of Trustees of Wyckoff financial statements for the period ending August 31, 2006 showed \$5 million dollars in the trust fund for malpractice. For some reason, the Chief Financial Officer co-mingled those funds with others without authorization. Subsequent to the telephone conversation, Dr. Daines sent a follow-up letter to Mr. Rucigay. A written response is in the process of being prepared, with the assistance of everyone involved, explaining what had transpired. Mr. Rucigay advised the Board of Trustees that he did, in fact, request a face to face meeting with representatives of the Commissioner and our fiscal representatives.

Mr. Rucigay stated that certain other issues remain open including engagement of services of Mr. John Lavan, who will conduct a comprehensive review of the financial reports and present the findings to the Board of Trustees. In addition, he will answer questions posed to him by the Board Members. He assured the Board Members that we will invoke a plan to address the issues; ensure that the malpractice fund is reimbursed; future financial documents will be reviewed by Mr. Lavan. In addition, the State will be furnished with copies of Mr. Lavan's reports.

Mr. Gio then introduced Richard Zall, Esq. Attorney with Proskauer Rose, LLP who will guide us through this transaction. He has been with us since the beginning of the process and has been instrumental in communicating with the Department of Health. Mr. Zall will also be attending planned meetings in Albany.

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As it relates to financial conditions at Wyckoff at this time, Mr. Gio reported that we were able to make payroll, although we did defer one payroll for Senior Management and P.C. Physicians. That will be returned to them by the end of June. A request was made to the Department of Health for \$22 million dollars, \$3 million dollars for the lag, (money owed to Wyckoff) which is generally held for three weeks, and a \$10 million dollar loan from the Dormitory Authority. For Caritas, a request was made for \$15 million dollars, for a total package of \$37 million dollars.

Mr. Gio stated that while we were able to make payroll at Wyckoff, there was difficulty in making payroll for Caritas last week. He reviewed with the Board Members his request to the Board on two occasions, once early on in February asking for a loan of \$1.5 million dollars from the Foundation as a down payment for the acquisition and then in October 2006 for a loan up to \$10 million dollars from Wyckoff to Caritas. He was granted approval both times. This was the only money Management knew was being transferred. Unfortunately, other money was transferred without approval. When the audit was conducted, it was discovered that Wyckoff owed Caritas over 6.7 million dollars. Mr. Gio clarified that that money was being paid back to Caritas.

Mr. Gio advised the Board Members that when the State agreed to release lag money to Wyckoff, the condition was that \$3 million dollars be transferred to Caritas to make payroll. They required that proof of that be submitted prior to the release of the lag money. Wyckoff is hoping to receive that money today.

Mr. Lane stated that he was unclear as to the transfer of money back to Caritas. Mr. Hsu and Mr. McDonald endeavored to explain the transaction. The Meditech money allocated for the Meditech system was questioned. Mr. Sarli replied that in the original Business Plan it was estimated that approximately \$3.2 million dollars be invested by Wyckoff prior to the closing. That was solely for the Meditech System. There were other expenses incurred as time went on relative to the closing and Wyckoff did bear that cost.

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Dr. D'Alessandro inquired as to the status of the taxes. Mr. Gio replied that all of the past FICA taxes have been repaid. Mr. Sarli provided an update on the current tax situation. All of Caritas FICA taxes were paid earlier and Wyckoff's taxes were paid this past week. In addition, the mortgage is paid up through March. Mr. Sarli clarified that there is a portion of the Federal tax that has not been paid for Caritas on one payroll. The FICA has been paid on that payroll, however, approximately \$800,000 of Federal withholding will be paid this week. It was noted that in terms of one payroll, New York State taxes will be paid this week. Mr. Sarli stated that he is working with the State to have money released so that we can meet these obligations. Mr. McDonald explained that when doing business that there will always be liabilities "due to" and "due from" and this will be explained to the State.

Fr. Frawley stated that the financial information provided at this time is unclear to him and voice his displeasure at not having received current financial statements. Mr. Gio responded that we are making every effort to be forthright by keeping the Board Members informed of the events as they occur. He assured the Board Members that as soon as we are able to generate an accurate report, it will be submitted to them. A copy of the electronic submission for payments of Caritas FICA was distributed to the Board Members. Mr. Gio apologized for any discrepancies in the numbers at this time and asked the Board Members to "bear with us".

Fr. Frawley mentioned the letter Mr. Rucigay received from Acting Commissioner Daines and requested a copy. Mr. Lane requested a copy of the letter as well. Mr. Rucigay explained that the letter was addressed to him as Chairman of B.Q.H.C. and involved Wyckoff. He therefore, kept it to himself and B.Q.H.C. He further stated that his intention was to alert the Board Members that he has been contacted by the Commissioner and that he would respond on behalf of both institutions. Since the response is not confidential, he will release it, with the Commissioner's letter, to the Board Members of both Wyckoff and Caritas.

Fr. Frawley mentioned that he still did not receive a copy of the Bylaws. Mr. Hoffman replied that at an earlier date, he did furnish him with a copy which was taken from the C.O.N. application. He explained that there have several revisions since that time and he will receive a revised copy as soon as it has been approved.

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Subsequent to Fr. Frawley voicing his concern regarding the seriousness of the current fiscal situation, Mr. Hochberg stated that he has the utmost confidence in the leadership of this hospital. He added that the leadership has always been forthright and based on past performance he has the utmost confidence in Mr. Gio and his staff. He commented that this was an unfortunate situation and asked Fr. Frawley and Mr. Lane to bear with us while it's being addressed. Mr. Arcuri and the other members of the Board concurred with Mr. Hochberg.

Mr. Gio advised the Board Members that when he came on board twelve years ago the Hospital was \$50 million dollars in debt, had a \$150 million dollar mortgage and the Medical residency program was in jeopardy. Ten years later, Wyckoff is one of the finest hospitals in New York City. Recruitment of highly qualified residents resulted in a record of seven consecutive years during which all graduating Medicine residents passed their Boards on the first attempt. He also mentioned the quality physicians on staff, the state-of-the-art equipment and the many programs and services available. Wyckoff has received commendation from the Joint Commission on Accreditation of Hospitals and was the recipient of the New York Presbyterian System Quality Signature Award for its Asthma Awareness Program. In addition, as a part of the hospital's year end audit reports, Wyckoff received positive management letters each year for the past ten years. The letters included review of financial internal controls.

Mr. Mc Donald advised the Board Members that the income statements for January and February for St. John's and Mary Immaculate Hospitals will be available in approximately one week. An income statement is being prepared for Wyckoff as well.

Mr. Arcuri inquired as to the patient volume at the Caritas Hospitals. Mr. McDonald reported that the volume is currently above budget at St. John's Hospital, (better than expected), however, the volume at Mary Immaculate Hospital decreased during the months of January and February. Wyckoff has been doing well cash wise for the past couple of weeks and case mix is up. Mr. Gio added that the revenue for Caritas has not yet been realized and commented that it takes time to generate an accurate report.

BQHC 03815

**REDACTED**

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Mr. McDonald provided the Board Members with an update on the billing issues relating to Caritas. In terms of the Emergency Room, all bills for all payors have been dropped. Clinic bills have been dropped for all payors with the exception of Medicaid due to some system related issues, however, those bill are expected to be dropped in approximately one week. He reported that there are Medicaid issues in terms of Ambulatory Surgery and they are expected to be resolved by tomorrow. Inpatient bills are being dropped on a regular basis for all financial classes. Mr. McDonald mentioned that a Meditech issue needs to be resolved at the Mary Immaculate site however, we do not have a definite date for that.

Mr. McDonald announced that a well qualified Accounting Manager, and Patient Accounting Manager, have been hired and commenced work today. He reported that we are contracting with a consulting firm that deals with Meditech receivables. A newly hired Director of Financial Management will commence work tomorrow.

Mr. Lane stated that he feels there should be an engagement letter, outlining Mr. Lavan's duties, what his fees are, what type of report he will be preparing and when it will be submitted to the Board. Mr. McDonald outlined Mr. Lavan's duties to include: Patient Accounting, Financial Statements, review of what took place since the establishment of the Business Office, and recommendations for improvement.

Mr. Lane commented that he thought what was agreed upon at the last Caritas Board Meeting is that the Board would select the Auditor, the Board would define what's going to be done, and that there would be an engagement letter.

Mr. Gio stated that since Mr. Lavan has the full confidence of the Department of Health he did not think this would be a problem.

**BQHC 03816**

**REDACTED**

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Following some further discussion of this Mr. Lane made a recommendation that the resolution be approved contingent upon Mr. Rucigay reviewing the engagement and approving it, and that it is endorsed by the Department of Health as well as the Dormitory Authority.

**ACTION/RECOMMENDATION: ON A MOTION DULY MADE BY MR. LANE, SECONDED BY MR. ARCURI, ALL IN FAVOR, THE RESOLUTION WAS UNANIMOUSLY APPROVED BY THE BOARD OF TRUSTEES OF CARITAS TO INCLUDE THE ABOVE STATED CONTINGENCIES.**

Fr. Frawley inquired as to the status of payment to the Hospital vendors. Mr. Gio replied money is owed to our vendors, however, Wyckoff does have long standing relationships with most of them and they are working with us.

In open discussion regarding sharing of services, Mr. Gio stated that we are reviewing the arrangement at the three hospitals and are trying to integrate as many of the medical programs as possible. As an example, he mentioned Radiology where we are paying Radiologists at all three campuses to do night call readings. When all three departments are digitalized, we can utilize one group of Radiologists to do night call for all three

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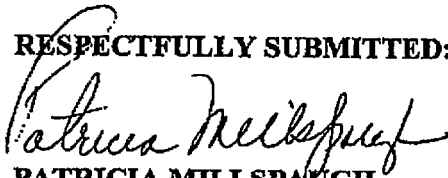
Hospitals. He further noted that we have already integrated the Ob/Gyn programs whereby the St. John's residents are rotating through Wyckoff. Mr. Gio commented that there are a great many synergies that will make the three campuses much stronger.

Mr. Rucigay mentioned that in the future, there will be separate meetings for the Caritas and Wyckoff Boards. He thanked everyone for attending this most important meeting.


**ADJOURNMENT:**

**THERE BEING NO FURTHER BUSINESS TO DISCUSS, ON A MOTION PROPERLY MADE BY MR. HOCHBERG, SECONDED BY MR. ARCURI, ALL IN FAVOR, THE MEETING ADJOURNED AT 5:20 P.M.**

**RESPECTFULLY SUBMITTED:**

  
**PATRICIA MILLSPAUGH**  
**EXECUTIVE SECRETARY**

**APPROVED BY:**

  
**DOMINICK J. GIO**  
**PRESIDENT & C.E.O.**

**BQHC 03818**